



# Hon. Robert T. Matsui

## Member of Congress

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Serving California's 5th District

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## GAO REPORT DEMONSTRATES BENEFIT CUTS, HIGH COSTS OF SOCIAL SECURITY PRIVATIZATION

WASHINGTON, DC—Today the General Accounting Office (GAO) released an analysis of the privatization plans put forward by the President's Commission on Social Security last year. The GAO found that carving personal accounts out of the Social Security system will lead to deep cuts in the program's defined benefits, and would require significant infusions of general revenues for the next several decades.

"This report clearly demonstrates that privatization will not solve Social Security's financial challenges. In fact, the President's approach requires trillions in unspecified revenues and will cut benefits for the millions of Americans who depend on Social Security," said Social Security Subcommittee Ranking Member Robert T. Matsui (D-CA). "Senator Breaux has done a terrific service by bringing this issue before the Committee on Ageing."

Recently, observers have indicated that instead of drafting a legislative proposal to deal with Social Security, President Bush plans to spend the coming year on an "education campaign" designed to sell the American people on privatization.

"This report makes it clear that one cannot claim that private accounts will solve Social Security's long term challenges without costing a dime or leading to benefit cuts," continued Rep. Matsui. "The President should not focus on selling a bad policy to the American people over the coming year. Instead, he should call Members of both parties together immediately so we can begin solving the problem together."

The GAO report is available online at <http://www.gao.gov>.

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